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## SENATE BILL No. 338

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### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-3.5; IC 6-6; IC 9-13-2; IC 9-16-1; IC 9-29-3-4.

**Synopsis:** Electronic registration and titling of vehicles. Authorizes the bureau of motor vehicles to establish a program for the electronic registration and titling of vehicles. Authorizes the bureau of motor vehicles commission to establish a service charge by resolution for a transaction performed by means of the electronic registration and titling program. Makes conforming amendments and technical corrections.

**Effective:** July 1, 2008.

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**Merritt**

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January 14, 2008, read first time and referred to Committee on Homeland Security, Transportation & Veterans Affairs.

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Second Regular Session 115th General Assembly (2008)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2007 Regular Session of the General Assembly.

## SENATE BILL No. 338

A BILL FOR AN ACT to amend the Indiana Code concerning motor vehicles.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 6-3.5-4-1 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. As used in this  
3 chapter:

4 "Branch office" means:

5 (1) a branch office of the bureau of motor vehicles **operated**  
6 **under IC 9-16;**

7 (2) **a qualified person (as defined in IC 9-16-1-1) that operates**  
8 **a full service license branch or is a partial services provider**  
9 **under IC 9-16; or**

10 (3) **an electronic registration and titling program service**  
11 **provider under IC 9-16-1-8.**

12 "County council" includes the city-county council of a county that  
13 contains a consolidated city of the first class.

14 "Motor vehicle" means a vehicle which is subject to the annual  
15 license excise tax imposed under IC 6-6-5.

16 "Net annual license excise tax" means the tax due under IC 6-6-5  
17 after the application of the adjustments and credits provided by that



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chapter.

"Surtax" means the annual license excise surtax imposed by a county council under this chapter.

SECTION 2. IC 6-3.5-5-1, AS AMENDED BY P.L.211-2007, SECTION 30, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. As used in this chapter:

"Branch office" means:

(1) a branch office of the bureau of motor vehicles **operated under IC 9-16;**

(2) **a qualified person (as defined in IC 9-16-1-1) that operates a full service license branch or is a partial services provider under IC 9-16; or**

(3) **an electronic registration and titling program service provider under IC 9-16-1-8.**

"Bus" has the meaning set forth in IC 9-13-2-17(a).

"Commercial motor vehicle" has the meaning set forth in IC 6-6-5.5-1(c).

"County council" includes the city-county council of a county that contains a consolidated city of the first class.

"In-state miles" has the meaning set forth in IC 6-6-5.5-1(i).

"Political subdivision" has the meaning set forth in IC 34-6-2-110.

"Recreational vehicle" has the meaning set forth in IC 9-13-2-150.

"Semitrailer" has the meaning set forth in IC 9-13-2-164(a).

"State agency" has the meaning set forth in IC 34-6-2-141.

"Tractor" has the meaning set forth in IC 9-13-2-180.

"Trailer" has the meaning set forth in IC 9-13-2-184(a).

"Truck" has the meaning set forth in IC 9-13-2-188(a).

"Wheel tax" means the tax imposed under this chapter.

SECTION 3. IC 6-6-5-1, AS AMENDED BY P.L.2-2007, SECTION 126, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 1. (a) As used in this chapter, "vehicle" means a vehicle subject to annual registration as a condition of its operation on the public highways pursuant to the motor vehicle registration laws of the state.

(b) As used in this chapter, "mobile home" means a nonself-propelled vehicle designed for occupancy as a dwelling or sleeping place.

(c) As used in this chapter, "bureau" means the bureau of motor vehicles.

(d) As used in this chapter, "license branch" means a branch office of the bureau authorized to register motor vehicles pursuant to the laws of the state.

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(e) As used in this chapter, "owner" means the person in whose name the vehicle or trailer is registered (as defined in IC 9-13-2).

(f) As used in this chapter, "motor home" means a self-propelled vehicle having been designed and built as an integral part thereof having living and sleeping quarters, including that which is commonly referred to as a recreational vehicle.

(g) As used in this chapter, "last preceding annual excise tax liability" means either:

(1) the amount of excise tax liability to which the vehicle was subject on the owner's last preceding regular annual registration date; or

(2) the amount of excise tax liability to which a vehicle that was registered after the owner's last preceding annual registration date would have been subject if it had been registered on that date.

(h) As used in this chapter, "trailer" means a device having a gross vehicle weight equal to or less than three thousand (3,000) pounds that is pulled behind a vehicle and that is subject to annual registration as a condition of its operation on the public highways pursuant to the motor vehicle registration laws of the state. The term includes any utility, boat, or other two (2) wheeled trailer.

(i) This chapter does not apply to the following:

(1) Vehicles owned, or leased and operated, by the United States, the state, or political subdivisions of the state.

(2) Mobile homes and motor homes.

(3) Vehicles assessed under IC 6-1.1-8.

(4) Vehicles subject to registration as trucks under the motor vehicle registration laws of the state, except trucks having a declared gross weight not exceeding eleven thousand (11,000) pounds, trailers, semitrailers, tractors, and buses.

(5) Vehicles owned, or leased and operated, by a postsecondary educational institution described in IC 6-3-3-5(d).

(6) Vehicles owned, or leased and operated, by a volunteer fire department (as defined in IC 36-8-12-2).

(7) Vehicles owned, or leased and operated, by a volunteer emergency ambulance service that:

(A) meets the requirements of IC 16-31; and

(B) has only members that serve for no compensation or a nominal annual compensation of not more than three thousand five hundred dollars (\$3,500).

(8) Vehicles that are exempt from the payment of registration fees under IC 9-18-3-1.

(9) Farm wagons.

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(j) As used in this chapter, "service provider" means:

(1) a license branch;

(2) a qualified person (as defined in IC 9-16-1-1) that operates a full service license branch or is a partial services provider under IC 9-16; or

(3) an electronic registration and titling program service provider under IC 9-16-1-8.

SECTION 4. IC 6-6-5-9, AS AMENDED BY P.L.184-2007, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 9. (a) The bureau, in the administration and collection of the annual license excise tax imposed by this chapter, may utilize the services and facilities of ~~license branches operated under IC 9-16;~~ **service providers** in its administration of the motor vehicle registration laws of the state of Indiana. The ~~license branches~~ **service providers under this subsection** may be so utilized in accordance with such procedures, in such manner, and to such extent as the bureau shall deem necessary and proper to implement and effectuate the administration and collection of the excise tax imposed by this chapter. However, in the event the bureau shall utilize ~~such license branches~~ **the service providers** in the collection of excise tax, the following apply:

(1) The excise taxes so collected by each ~~license branch;~~ **service provider**, less any refunds made by the ~~license branch;~~ **service provider**, shall be deposited daily by the ~~license branch in a separate account~~ **service provider** in a depository duly designated by the state board of finance. The county treasurer of the county for which the collections are due may withdraw funds from the account at least two (2) times each week. The county treasurer is responsible for the safekeeping and investment of money withdrawn by the county treasurer under this subsection. Before the eleventh day of the month following the month in which the collections are made, the bureau ~~of motor vehicles~~ shall report the excise taxes collected and refunds made outside the county to the county treasurer of the county to which the collections are due and the refunds apply. The bureau shall forward a copy of this excise tax report to the county auditor of the county.

(2) A ~~license branch~~ **service provider** shall each week forward a report to the county auditor of the county to whom the collections are due, showing the excise tax collected on each vehicle, each refund on a vehicle, and a copy of each registration certificate for all collections and refunds within the county.

(3) Each ~~license branch~~ **service provider** shall also report to the bureau all excise taxes collected and refunds made under this

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chapter in the same manner and at the same time as registration fees are reported.

(4) Premiums for insurance to protect the funds collected by ~~license branches~~ **service providers** against theft shall be paid by the bureau, except that the bureau may issue blanket coverage for all ~~branches~~ **service providers** at its discretion. At the discretion of the bureau, the bureau may:

(A) self-insure to cover the activities of the ~~license branches;~~ **service providers;** or

(B) rather than purchase a bond or crime policy for each ~~branch;~~ **service provider**, purchase a single blanket bond or crime insurance policy endorsed to include faithful performance to cover all ~~branches;~~ **service providers.**

(5) If the services of a ~~license branch~~ **service provider** are used by the bureau in the collection of the excise tax imposed by this chapter, the ~~license branch~~ **service provider** shall collect the service charge prescribed under IC 9-29 for each vehicle registered upon which an excise tax is collected by that ~~branch;~~ **service provider.**

(6) If the excise tax imposed by this chapter is collected by the department of state revenue, the money collected shall be deposited in the state general fund to the credit of the appropriate county and reported to the bureau ~~of motor vehicles~~ on the first working day following the week of collection. Except as provided in subdivision (7), any amount collected by the department which represents interest or a penalty shall be retained by the department and used to pay its costs of enforcing this chapter.

(7) This subdivision applies only to interest or a penalty collected by the department of state revenue from a person who:

(A) fails to properly register a vehicle as required by IC 9-18 and pay the tax due under this chapter; and

(B) during any time after the date by which the vehicle was required to be registered under IC 9-18 displays on the vehicle a license plate issued by another state.

The total amount collected by the department that represents interest or a penalty, minus a reasonable amount determined by the department to represent its administrative expenses, shall be deposited in the state general fund for the credit of the county in which the person resides. The amount shall be reported to the bureau ~~of motor vehicles~~ on the first working day following the week of collection.

The bureau may contract with a bank card or credit card vendor for

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1 acceptance of bank or credit cards.

2 (b) On or before April 1 of each year the bureau shall provide to the  
3 auditor of state the amount of motor vehicle excise taxes collected for  
4 each county for the preceding year.

5 (c) On or before May 10 and November 10 of each year the auditor  
6 of state shall distribute to each county one-half (1/2) of:

7 (1) the amount of delinquent taxes; and

8 (2) any penalty or interest described in subsection (a)(7);

9 that have been credited to the county under subsection (a). There is  
10 appropriated from the state general fund the amount necessary to make  
11 the distributions required by this subsection. The county auditor shall  
12 apportion and distribute the delinquent tax distributions to the taxing  
13 units in the county at the same time and in the same manner as excise  
14 taxes are apportioned and distributed under section 10 of this chapter.

15 (d) The commissioner of insurance shall prescribe the form of the  
16 bonds or crime policies required by this section.

17 SECTION 5. IC 6-6-5-11 IS AMENDED TO READ AS FOLLOWS  
18 [EFFECTIVE JULY 1, 2008]: Sec. 11. An owner of a vehicle who  
19 knowingly registers the vehicle without paying the excise tax required  
20 by this chapter commits a Class B misdemeanor. An employee of the  
21 bureau or a branch manager or ~~an~~ employee of a ~~license branch office~~  
22 **service provider** who recklessly issues a registration on any vehicle  
23 without collecting excise tax required to be collected with the  
24 registration commits a Class B misdemeanor.

25 SECTION 6. IC 6-6-5.5-17 IS AMENDED TO READ AS  
26 FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 17. (a) The department  
27 shall promptly deposit all amounts collected under section 3(b) of this  
28 chapter into the commercial vehicle excise tax fund for distribution to  
29 the taxing units (as defined in IC 6-1.1-1-21) of Indiana. The amount  
30 to be distributed to the taxing units of Indiana each year is determined  
31 under section 19 of this chapter.

32 (b) The bureau of motor vehicles shall promptly deposit all amounts  
33 collected under this chapter into the commercial vehicle excise tax  
34 fund for distribution to the taxing units (as defined in IC 6-1.1-1-21) of  
35 Indiana. The amount to be distributed to the taxing units of Indiana  
36 each year is determined under section 19 of this chapter.

37 (c) A contractor providing:

38 (1) a full service license branch under IC 9-16-1-4; ~~or~~

39 (2) a partial service license branch under IC 9-16-1-4.5; **or**

40 **(3) electronic registration and titling services under**  
41 **IC 9-16-1-8(b);**

42 shall remit the amount of commercial vehicle excise tax collected each

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week to the bureau of motor vehicles for deposit into the commercial vehicle excise tax fund.

SECTION 7. IC 9-13-2-62.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 62.3. "Financial institution", for purposes of IC 9-16-1, has the meaning set forth in IC 9-16-1-0.5.**

SECTION 8. IC 9-13-2-154.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 154.7. "Retail merchant", for purposes of IC 9-16-1, has the meaning set forth in IC 9-16-1-1.3.**

SECTION 9. IC 9-13-2-196.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 196.3. "Vendor", for purposes of IC 9-16-1, has the meaning set forth in IC 9-16-1-1.7.**

SECTION 10. IC 9-16-1-0.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 0.5. As used in this chapter, "financial institution" has the meaning set forth in IC 28-1-1-3(1).**

SECTION 11. IC 9-16-1-1.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 1.3. As used in this chapter, "retail merchant" has the meaning set forth in IC 6-2.5-1-8.**

SECTION 12. IC 9-16-1-1.7 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 1.7. As used in this chapter, "vendor" means a:**

- (1) dealer;**
- (2) financial institution;**
- (3) person or entity to which IC 27-1-2-2 is applicable; or**
- (4) retail merchant.**

SECTION 13. IC 9-16-1-8 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: **Sec. 8. (a) The commissioner may establish a program for the electronic registration and titling of vehicles. An electronic registration and titling program may include the following:**

- (1) The transmission of application for titles and registration of vehicles.**
- (2) The renewal of vehicle registrations.**
- (3) The creation of and removal of liens contained in the records of vehicle titles.**
- (4) Applications for a certificate of salvage title.**
- (5) The issuance of registration license plates and renewal tags or other indicia as set forth in IC 9-18-2-7 and IC 9-18-2-8(b)**

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by vendors.

However, the program must provide that a retail merchant is authorized to issue renewal tags or other indicia only as set forth in IC 9-18-2-8(b).

(b) After the establishment of an electronic registration and titling program, the commissioner may enter into an agreement with a provider of services regarding electronic registration and titling of vehicles to serve as an intermediary between the bureau and a vendor.

(c) The electronic registration and titling program service provider that enters into an agreement under subsection (b) is responsible for the following:

(1) The establishment of a computerized communication link between a vendor and the bureau for the transmission of information concerning titling and registration of vehicles, renewal of vehicle registration, and liens, in compliance with the specifications of the agreement with the bureau.

(2) The transmission of fees and service charges associated with the titling and registration of vehicles to the bureau.

(3) The transmission of the license excise tax under IC 6-6-5-2 due upon the registration of a vehicle to the bureau.

(4) The:

(A) maintenance of an inventory of license plates and renewal tags or other indicia of registration; and

(B) distribution of the plates and indicia of registration.

(5) Compliance with requirements of the bureau and the department of state revenue concerning the:

(A) security of the electronic information and transmission of fees;

(B) security of the inventory of license plates and renewal tags or other indicia of registration; and

(C) maintenance of an electronic inventory control system for the inventory of license plates and renewal tags or other indicia of registration.

(6) Providing real-time access to the inventory control system by the bureau, the state board of accounts, and the state police department for review, auditing, and inventory verification to ensure compliance with the rules, policies, and regulations of the bureau.

(7) The retention of records of all electronic registration and titling transactions.

(8) The posting of a performance bond not to exceed one

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million dollars (\$1,000,000), with the amount to be set by the commissioner.

(d) The electronic registration and titling program service provider may enter into an agreement with a vendor for participation in the electronic registration and titling service program. If the vendor is required to have a professional license from the state to operate, the vendor must be currently licensed before beginning participation in the program and must maintain a license in good standing. The commissioner has the sole discretionary right to review and approve an agreement between the electronic registration and titling program service provider and a vendor and has the right to revoke the right to participate in the electronic registration and titling program by a vendor.

(e) A vendor may be a participant in the electronic registration and titling program and:

(1) operate a full service license branch under section 4 of this chapter; or

(2) provide partial services under section 4.5 of this chapter; if the vendor is also a qualified person.

SECTION 14. IC 9-29-3-4, AS AMENDED BY P.L.63-2007, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2008]: Sec. 4. (a) The service charge for each of the first twelve thousand (12,000) original and renewed vehicle registrations at a license branch each year is one dollar and seventy-five cents (\$1.75).

(b) The service charge for each of the next thirty-eight thousand (38,000) original and renewed vehicle registrations at that license branch each year is one dollar and fifty cents (\$1.50).

(c) The service charge for each additional original or renewed vehicle registration at that license branch each year is one dollar and twenty-five cents (\$1.25).

(d) Fifty cents (\$0.50) of each service charge collected under this section shall be deposited in the state motor vehicle technology fund established by IC 9-29-16-1.

(e) A service charge that is:

(1) originally imposed under this section; and

(2) increased by a rule adopted by the department;

applies to any original or renewed vehicle registration issued at a license branch.

(f) A service charge under subsections (a) through (d) may not be collected for a bureau transaction performed by means of the electronic registration and titling program under IC 9-16-1-8. However, the commission may establish a service charge by

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1 resolution for a bureau transaction performed by means of the  
 2 electronic registration and titling program that may not exceed one  
 3 dollar and twenty-five cents (\$1.25).

4 (g) If a service charge is established under subsection (f),  
 5 subsection (d) applies to a service charge collected under  
 6 subsection (f).

7 SECTION 15. [EFFECTIVE JULY 1, 2008] (a) The legislative  
 8 services agency shall prepare legislation for introduction in the  
 9 2009 regular session of the general assembly to organize and  
 10 correct statutes affected by the addition of the provisions  
 11 concerning the transmission of application for titles and  
 12 registration of vehicles, the renewal of vehicle registrations, the  
 13 creation of and removal of liens contained in the records of vehicle  
 14 titles, the application for a certificate of salvage title, and the  
 15 issuance of registration license plates and renewal tags or other  
 16 indicia as set forth in IC 9-18-2-7 and IC 9-18-2-8(b) by an  
 17 electronic registration and titling program in addition to those  
 18 services provided, including review of the following statutes to  
 19 determine whether changes are necessary:

20 (1) IC 9-13.

21 (2) IC 9-14.

22 (3) IC 9-15.

23 (4) IC 9-16.

24 (5) IC 9-17.

25 (6) IC 9-18.

26 (7) IC 9-19.

27 (8) IC 9-20.

28 (9) IC 9-21.

29 (10) IC 9-22.

30 (11) IC 9-23.

31 (12) IC 9-24.

32 (13) IC 9-25.

33 (14) IC 9-26.

34 (15) IC 9-27.

35 (16) IC 9-28.

36 (17) IC 9-29.

37 (18) IC 9-30.

38 (19) IC 9-31.

39 (20) Any other statute requiring an amendment to conform to  
 40 this act.

41 (b) This SECTION expires June 30, 2009.

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